



The Deputy Secretary of Energy

Washington, DC 20585

May 19, 2004

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: KYLE E. MCCLARROW 

SUBJECT: 2004 Inherently Governmental and Commercial Activities (IGCA) Inventory

This is to request the necessary data for the Department of Energy (DOE) to complete the 2004 Federal Activities Inventory Reform Act (FAIR Act) of 1998, Public Law 105-270, commercial activities inventory and the Office of Management and Budget (OMB) inventory of inherently governmental activities. The information required is described in this memorandum and in the attachments.

KEY CONSIDERATIONS

Completion of the annual inventory of full-time equivalents (FTEs) and submission to OMB is an important statutory requirement. The Secretary and I expect each of you to focus keen attention on the information that you submit in response to this request. We urge you to involve and communicate with your Federal staff as you go through the inventory effort.

The FAIR Act inventory is a primary key to the success of Competitive Sourcing, one of the President's Management Agenda items. Competitive Sourcing is an essential management tool for improving the efficiency and effectiveness of the Department. Historical trends indicate that significant savings accrue as a result of the competitive sourcing process regardless of which provider wins a competition. The FAIR Act inventory process and the resulting organizational data also allows the Department to better focus its limited resources. Therefore, it is critical that you carefully assess the functions performed in your organization to determine which commercial activities performed by government employees could benefit from public-private competition.

REPORTING REQUIREMENTS

Each organization shall submit its 2004 IGCA Inventory based on the FTE level (including vacancies) for FY 2004, as set forth in the FY 2005 budget, by **June 4, 2004**. Each "point of contact" listed in Attachment 1 will be provided an Excel data collection tool detailing their organization's 2003 inventory. This will facilitate the 2004 update by not requiring reentry of all data, and it will also permit you to track and explain changes from your organization's 2003 inventory.

I want to stress OMB's requirement that you create written justifications for FTEs designated as 1) performing inherently governmental activities (Reason Code Z), and



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2) performing commercial activities that are not appropriate for private sector performance (Reason Code A). In order to help ensure that we are creating viable justifications, a review of a sampling of those justifications will be made.

Attachment 1 indicates the offices that are required to provide the Office of Competitive Sourcing/A-76 (OCS) with electronic copies of the drafts of the written justifications for FTEs coded as performing inherently governmental and/or Reason Code A activities in your 2004 inventory submission. The submitting offices were selected based on their having reported in their 2003 inventory that 60 percent or greater of their FTEs were performing inherently governmental activities. The electronic files containing the justifications will be provided to the OCS by **June 4, 2004**.

During the two weeks after June 4, 2004, the OCS will be working with the Lead Program Secretarial Offices to promote consistency in the inventory across similar line operations and with senior Departmental management to ensure that all are aware of major changes from prior year submissions and other areas of concern. Major line organizations will provide formal written verification of the accuracy of their inventory submissions for the Secretary by **June 18, 2004**.

Please direct questions or concerns about the 2004 IGCA Inventory to Dennis O'Brien, Director, Office of Competitive Sourcing/A-76, at (202) 586-1690 or at [dennis.o'brien@hq.doe.gov](mailto:dennis.o'brien@hq.doe.gov) or to the DOE IGCA Inventory principal point of contact, Mark Hively, at (202) 586-5655 or at [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov).

#### Attachments

- Attachment 1 – List of IGCA Inventory Points of Contact
- Attachment 2 – OMB & DOE 2004 IGCA Inventory Guidance Summary
- Attachment 3 – List of Offices That Are To Provide Inventory Data and Accuracy Of Data Verification
- Attachment 4 – Department of Energy Inherently Governmental and Commercial Activities Inventory, *Guide to Inventory Submission of May 2004*
- Attachment 5 – Sample Verification of Data Accuracy Memos